One other topic may be mentioned, namely, labor relations. When the discussion reached this point the coal men both in Westphalia and in Silesia promptly pointed out that they had no direct relations with labor, and that, therefore, the discussion was irrelevant. Nevertheless, the matter was considered, and the coal representatives furnished a good deal of useful material concerning the situation. The conditions of labor and wages were both shown to have considerably improved.

There was no attempt to go into the question of reformatory measures, and an intervention of the state did not seem to be desired. The aim of the debate was simply to establish the facts and not to propose remedies, and in this respect it may be regarded as a very useful and relatively successful proceeding.

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Reciprocity. By J. LAURENCE LAUGHLIN and H. PARKER WILLIS. New York, The Baker and Taylor Company, 1903. — xi 583 pp.

The title of this book is somewhat misleading, since with the exception of the first two chapters, the work is devoted exclusively to the American aspects of the question. Although advocates of free trade, the authors take a strong stand against reciprocity, maintaining that, if we should ever approach the stage of development in tariff matters when reciprocity could be had, we should not need it. In spite of this gloomy forecast of the future of the reciprocity policy, the authors proceed to marshal numerous arguments against it, as though it were about to be carried through to a successful issue. Upon examination, serious flaws appear in these arguments. The reasoning runs somewhat like this: To be useful, reciprocity must benefit either the American consumer, the American producer, or both together. Does it benefit the consumer? In this connection Professor Taussig is quoted with approval:

> It may be laid down that any remission of duty which does not apply to the total importations, but leaves a considerable amount still coming in under duty, puts so much money into the pockets of the foreign producer.

The authors indorse this doctrine because it is in harmony with "the recognized economic principle that price is determined by the most

expensive portion of the supply." The reasoning is not, however, entirely convincing. For will not reduction of the tariff rates stimulate importation from the favored country at the expense of the other producers, or increase the general supply and so reduce the price? As a matter of fact, is not that the reason why each country jealously watches the reciprocity treaties between other countries and insists on the "most favored nation clause"? The assertion that "reciprocity, when it can produce a fall in the price of imported commodities, . . . is not . . . different from tariff revision," ought to be an argument *for* reciprocity, to one who believes in the necessity of tariff revision, as the authors certainly do.

But while in its effect on imports reciprocity seems to favor the foreign producer only, the authors' conclusions are very different when they study its effects upon the American producer. The latter can never, they argue, obtain a differential advantage in a foreign market. The advantages he gets are also granted to other nations, through the operation of "the most favored nation clause," and therefore the result is simply to give our manufacturers "a somewhat wider market in which to compete with each other." This seems to be only a roundabout way of acknowledging that reciprocity increases the demand for our goods, which is after all more important to the industrial world than a differential advantage. The latter can only result in a profit to the *entrepreneur*. An enlarged demand diffuses itself through the industrial community.

Thus, in studying the effects of reciprocity upon the producer the authors arrive at conclusions quite the reverse of those reached in studying its effects upon the consumer. In the latter case the foreign producer gets all the benefit, whereas in the former the American producer does not seem to derive any benefits at all. This naturally arouses suspicion that there is a strong bias against reciprocity. Of course the authors might say that there is a difference between American reciprocity treaties and the treaties between European nations. In Europe the "most favored nation clause" usually operates, and the effects of a treaty are spread over the whole foreign supply, while the United States does not adhere to this clause, and consequently a treaty here means a differential advantage. There would be some force in such an argument, as a ground for contending that the absence of the "most favored nation clause" injures the American consumer. Yet on page 15 we read that by not accepting this clause the United States occupies a "vantage-ground," which is greatly objected to in Europe.

That reciprocity should appear insufficient to a convinced free-

trader is natural enough. Yet he ought to know that at least in Europe reciprocity treaties have had the support of free-traders, and have accomplished much in the way of moderating the extremes of protection. American experience with such treaties is entirely too limited to supply much material for independent conclusions. In fact, it is so limited that the success of the authors in compiling such a large volume on this topic is really surprising. It is partly explained by the inclusion of a considerable amount of irrevelant matter, as, for instance, the study of the world's sugar industry. Nevertheless, the book may safely be recommended as a reference book on an important question of the day.

There is just one more point to which it is necessary to call attention, and that is the authors' very inadequate use of quotation marks. The whole of Chapter V (Reciprocity and the Sugar Situation) is practically copied, with verbal changes, from the monograph on Sugar Production and Consumption, published in the *Monthly Summary of the Bureau of Statistics* (Treasury Department) for January and November, 1902. This monograph is quoted four times in the chapter,[1] but quotation marks are employed to limit the indebtedness. There is nothing to indicate that many preceding and succeeding pages are from the very same source. It would be easy to illustrate by parallel quotations how closely the sources have been followed. The reader may be referred to the following passages: Willis and Laughlin, pp. 163–165 and *Monthly Summary*, pp. 1295–96; 144–150 of our authors and 1283–89 of the *Summary;* and pp. 157–8 and 1275–82. Nor does it appear on comparison that the official monograph has been improved upon; it has been expanded, and a few inaccuracies have been introduced. On pages 160–2 there is a very interesting quotation from Professor Jenks' Report to the Industrial Commission on the Austrian sugar industry, but by a peculiar coincidence the identical quotation is found on pages 1292–3 of the official monograph. There is, however, one noticeable difference. The official monograph mentions all the authorities on whose works each section is based, while the volume of Professors Laughlin and Willis does not, except in so far as the very long bibliography may possibly be designed to answer this purpose.

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[1] It is noteworthy that on pages 156–7 the same page of the same book is quoted, once as "World's Sugar Production and Consumption," and once as "Monthly Summary of Commerce and Finance."